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Improving the financial situation of the United Nations

Report of the Secretary-General*

Summary

The present report updates the information on the financial situation of the United Nations contained in the previous report of the Secretary-General (A/56/464/Add.1). It provides a review of the Organization's financial situation based on data as at 30 September and wherever possible projections to 31 December 2002.

Three key financial indicators, namely, unpaid assessments, cash on hand and debt owed to Member States, measure the State of the Organization's financial health. In general terms, 2002 is forecast to be a good year, with somewhat better cash balances, but at the same time with higher unpaid assessments and debt owed to Member States.

This year, however, one more indicator must be added, that is, the adequacy of the budget to fund all of the mandates approved by the Member States. This is an important indicator of financial health, as it provides the foundation for all others. This year new items have been approved and others are now anticipated that may increase the regular budget above the level of the preceding year.

* The document is being issued following the presentation made by the Under-Secretary-General for Management on the financial situation of the Organization.

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I. Introduction

1. The present report updates the information on the financial situation of the United Nations contained in the previous report of the Secretary-General (A/56/464/Add.1). It also provides information on the financial situation of the Organization as at 30 September 2002 and projections to 31 December 2002.

II. Review of the financial situation as at 30 September 2002 and prospects to 31 December 2002

A. Overview

2. Since the previous report on this subject, a number of management initiatives have been implemented. For example, new funds were approved that enabled security for the United Nations staff and premises to be enhanced. In the field, 190 security officers are now in place, with $70 million in costs shared by the United Nations and all of the funds, programmes and agencies, as well as the World Bank. The Organization's first management information system is now available online, providing programme managers with access to management information. The capital master plan has been developed further, its costs have been determined, potential sources of financing have been identified and the support of the host city has been secured. Human resources reform is largely in place, recruitment and placement are managed electronically, and programme managers are held to defined employment criteria. Finally, the Integrated Management Information System (IMIS) is now connected to six peacekeeping missions, with more to be connected in the months ahead.

3. In the next six months, other management initiatives will begin to be implemented. These include but are not limited to the productivity knowledge gateway, which tracks the progress of potential productivity initiatives. A digitalization project that will archive core records and correspondence of the Secretariat and of the United Nations, funds and programmes will be finalized. An electronic document publishing and handling system will be completed to support the production and dissemination of the United Nations Treaty Series. The progress and impact reporting system, which tracks the success of reform initiatives, will come online. Finally, the budget methodology set out in the Secretary-General's reform report (A/57/387 and Corr.1) will be reviewed.

4. Management initiatives are best realized when financial indicators are positive and when financial resources are in place. Most of the resources are in place for 2002, but some are not.

5. Three key financial indicators, namely, unpaid assessments, cash on hand and debt owed to Member States, measure the Organization's state of financial health. At this time, however, it is also necessary to consider the capacity of the budget, defined as the adequacy of the Organization's budgets to fund all of the mandates approved by the Member States. This component may, in fact, be the most important one, as it provides the foundation for all the others. Surrounding these components and tying them together is the adequacy of annual assessment levels and the adequacy of the payments actually made against those assessments.

6. Aggregate assessment levels for 2002 comprise amounts applicable to the regular budget, the International Tribunals for Rwanda and the Former Yugoslavia and peacekeeping activities. During the past eight years, aggregate assessment levels have reached a high point of over $4 billion in 1995 and again in 2001. In 2002, assessment levels have decreased from the second-highest level to just over $3.4 billion as at 30 September.

7. The regular budget level has remained relatively constant for a number of years — $2,632 million for the biennium 1994-1995, $2,608 million for 1996-1997, $2,532 million for 1998-1999 and $2,535 million for 2000-2001. Over the eight-year period, costs have been reduced sufficiently to absorb inflation, to absorb special mission costs and other unforeseen costs relating to peace and security and to produce a regular budget total that today is at the same level as that of 1994-1995. Favourable exchange rates played a strong part in helping to produce this positive picture. That situation will not be the same in the biennium 2002-2003.

8. Budget levels in 2002 for the International Tribunals reached $200 million, a level forecast as a possibility in earlier years. That possibility has now become a reality. Other cost increases are foreseen for the Tribunals as a result of the decision of the Security Council to approve ad litem judges for the International Tribunal for Rwanda. In addition, the long-term costs of enforcement of sentences may have further financial consequences.

9. As for peacekeeping, assessment levels show an erratic pattern. Levels were high in 1994-1995, decreased from 1996 to 1999 and increased in 2000 and 2001. A level of $3 billion, the second highest, was reached in 2001, which has decreased to $2.1 billion in 2002.

10. As for individual missions, decreases have occurred in all but two in 2002. There are significant decreases, as would be expected, for the United Nations Mission of Support in East Timor (UNMISET) (formerly the United Nations Transitional Administration in East Timor), the United Nations Mission in Ethiopia and Eritrea (UNMEE), the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Mission in Bosnia and Herzegovina (UNMIBH), even levels for the United Nations Disengagement Observer Force (UNDOF), the United Nations Observer Mission in Georgia (UNOMIG), the United Nations Peacekeeping Force in Cyprus (UNFICYP), the United Nations Iraq-Kuwait Observation Mission (UNIKOM) and the United Nations Mission for the Referendum in Western Sahara (MINURSO) and major increases for two African missions, the United Nations Mission in Sierra Leone (UNAMSIL) and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC). However, the recent decision of the Security Council (resolution 1436 (2002)) to reduce troop strength in UNAMSIL should have an impact on that mission's assessment level next year.

B. Unpaid assessments

Regular budget

11. During September, the cash situation under the regular budget became critical. Borrowing from peacekeeping accounts to fund the regular budget began in early September and continued through that month.

12. As at 30 September, only 105 Member States had paid their regular budget assessment in full. Previous end-September results were substantially higher, with 131 Member States paid in full at 30 September 2000 and 122 in 2001. Payment by only 105 Member States at the end of September means it will be difficult to reach the higher numbers repeatedly achieved from 1994 to 2000. This is a disappointment, as the Organization must be able to rely on payments in full and on time so as to provide the predictable resource base needed to carry out all mandated activities. Regrettably, the situation has not changed in the weeks since 30 September. Since then, only six other full payments have been received.

13. At 30 September, 38 Member States had not paid their 2002 assessments. Another 44 Member States had made only partial payments or had received a credit as a result of reductions in the approved scale. Overall, 82 Member States had chosen not to meet agreed financial commitments. The financial stability of the Organization is thus under pressure, as receipts allow the work of the Organization to carry on and their absence undermines that ability.

14. As to Member States with outstanding amounts for 2002, at 30 September, the United States of America owed $446 million, or 77 per cent of the total, Brazil owed $44 million, or 8 per cent, and Argentina owed $30 million, or 5 per cent. The 79 remaining Member States owed $56 million, or 10 per cent.

15. The United States has informed the Secretariat that a continuing appropriations resolution was approved recently by the United States Congress that provided funds for its regular budget payments. A first instalment of $47 million was paid on 9 October. A second instalment of $208 million is expected by the end of October. The remaining balance of $23 million is awaiting passage of further continuing resolutions currently pending in Congress. Those payments and projected payments, when received, will substantially change the regular budget amounts outstanding. Specifically, they will reduce the amount owed by the United States at year's end from $446 million to $165 million.

International Tribunals

16. As concerns the two International Tribunals, at 30 September 98 Member States had not paid their 2002 assessment, while 35 other Member States had made partial payments. Only 56 Member States had paid their 2002 assessments in full for both Tribunals.

17. Unpaid assessments as at 30 September stood at $52 million. The United States owed $17 million, or 33 per cent. Two other Member States, Brazil and the Russian Federation, owed $9 million, or 18 per cent, each, the Republic of Argentina and the Republic of Korea each owed $3 million, or 5 per cent, for a total of 79 per cent from those five countries. One hundred twenty-eight other Member States owed 21 per cent.

Peacekeeping

18. In contrast to the regular budget and the International Tribunals, peacekeeping assessments are issued periodically during the course of the year. Assessments of $908 million were issued from January to June, with the remaining assessments of $1,373 million issued to October for a total of $2,281 million.

19. At the end of September, outstanding peacekeeping assessments totalled $1,776 million. The United States owed $866 million, 11 other major contributors owed $537 million and all other Member States owed $373 million. The greater the amounts owed by Member States, the more cautious the Organization must be in making payments for troops and contingent-owned equipment.

20. Amounts unpaid for all three categories of assessments — the regular budget, peacekeeping and the Tribunals — totalled $2.4 billion at 30 September. Of that total, the United States owed $1,329 million, or 55 per cent, 12 other major contributors owed $673 million, or 28 per cent, and the remaining Member States owed some $400 million, or 17 per cent.

21. With further peacekeeping assessments unlikely to be issued this year, it is appropriate to note that at 30 September, Angola, Australia, Canada, Finland, Ireland, Liechtenstein, Monaco, New Zealand and South Africa were substantially current with their payment of all assessments. The Secretary-General appreciates these timely contributions.

22. In summary, as concerns the regular budget, payments have slowed in comparison with previous years, and unpaid amounts are concentrated in three Member States. Legislation now in place in the United States will reduce the balance owed by that Member State for 2002. As for the Tribunals, outstanding payments are concentrated in five Member States. As regards peacekeeping, payments are awaited from a large number of Member States. This means that reimbursement payments may be delayed to countries contributing troops and contingent-owned equipment.

C. Available cash

Regular budget

23. The regular budget cash position has become an all-too-familiar picture in recent years. The year 2002 began with a low but positive regular budget cash balance of $2 million. In January and February, a large influx of contributions was received, which tapered off in March. At the end of April, the first deficit balance occurred, earlier than usual. Fortunately, Japan paid its full contribution earlier than in the past, which made it possible to offset the April deficit. Other payments were then received, increasing the level of cash in June and July, thus avoiding the usual negative cash position in August.

24. Early in September, however, a second deficit cash position began, which continued through September. Positive month-end balances for October and November are now forecast based on the contributions projected to be received from the United States in October. However, even with these payments, the Organization's cash position will be only $67 million in November and zero by year's end. This critical year-end projection shows the effect of the decrease in the number of Member States paying their contributions in full.

International Tribunals

25. As at 30 September, the Tribunals had sufficient cash, $43 million, to fund planned activities. This was a marked improvement from the beginning of the year,

when cash was only $3 million and cross-borrowing between the Tribunals became necessary.

26. At year's end, cash should be close to $10 million, a level that will provide a small cushion to fund operating costs in 2003 pending the receipt of 2003 cash contributions.

Peacekeeping

27. The overall situation for 2002 regarding cash for peacekeeping activities is, in many respects, the opposite of that of the regular budget and Tribunals. The amount of cash available for peacekeeping activities was high at the beginning of the year, higher during the middle months and is projected to be about the same level at the end of 2002 as was the case in 2001.

28. Cash levels closely track the periods when assessments are made. From February to June, positive balances reflected payments of assessments that were approved late in the previous year. Cash is projected to begin to build again in October and November as the result of assessments sent out in July. By year's end, peacekeeping cash balances are forecast to decrease as a result of projected payouts to Member States for troops and contingent-owned equipment obligations. Overall, though, the amount of cash for peacekeeping activities is forecast to be at a somewhat higher level at year's end than was the case a year ago.

Combined cash

29. Combined year-end cash, which includes the regular budget, the Tribunals and peacekeeping, is projected to be $1,371 million, consisting of $1,361 million for peacekeeping, $10 million for the Tribunals and zero for the regular budget. This is a better overall result than in previous years, but is deceptive as far as the amounts that are available to be used is concerned.

30. On the plus side, regular budget cash is no longer expected to be in deficit at year's end, as was the case from 1996 to 1998, when it was minus $197 million in 1996, minus $122 million in 1997 and minus $40 million in 1998. For the past two years, 2001 and 2002, year-end regular budget cash has effectively been at the zero mark.

31. The level of cash for peacekeeping activities has recently increased, but much of it has restrictions as to its use. Peacekeeping cash is grouped in three categories — cash in active missions, cash in closed missions and the Peacekeeping Reserve Fund. At 30 September, cash on hand for active missions totalled $756 million. In the closed missions, cash totalled $406 million, and $199 million was available in the Peacekeeping Reserve Fund. Cash for active missions is needed at this level to provide for the operational requirements of the five large missions, as well as several other smaller current missions. The Peacekeeping Reserve Fund can only be used for new or expanded missions. The lower cash level in the closed missions will soon pose a major problem, as this is currently the only source for cross-borrowing. Cash in closed missions will further diminish this year, as over $100 million will be used to credit Member States for part of their share of the strategic deployment stocks, and $68 million will be surrendered in the final performance reports of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the United Nations Preventive

Deployment Force. In time, other final performance reports will also be submitted to the Fifth Committee, which may result in the surrendering of additional amounts, effectively eliminating most of the funds available in closed missions.

32. Thus, the Organization's cross-borrowing capacity is being threatened, and the Organization will not be able to keep current on obligations incurred for troops and contingent-owned equipment. That would be a major reversal after so much effort has been expended to overcome past problems in this area.

D. Debt owed to Member States

33. At 1 January 2002, debt owed to Member States stood at $748 million, comprising $174 million for troops and $574 million for equipment. Yearly obligations were expected to be in the range of $800 million. However, that amount is now considered to be too high and has been revised downward to $726 million.

34. In addition, instead of $893 million in payments projected to be paid, it is now estimated that only $624 million will be paid to Member States for troops and contingent-owned equipment. The Secretary-General's goal of paying for all current obligations in the year in which they are incurred will not be met this year.

35. Despite this slowdown, eight payments have been made during 2002 for troops and contingent-owned equipment. In fact, every month through July a payment for either troops or contingent-owned equipment, or sometimes both, was made. One more payment for contingent-owned equipment was made in October. Additional payments are projected for the year, depending on contributions received — one in December for troops, and possibly one more for contingent-owned equipment.

36. The remaining debt is now forecast to be higher than anticipated — $850 million, comprising $242 million for troops and $608 million for contingent-owned equipment. Despite the slowdown in payments to Member States, progress has been achieved. The arrears payments in 2001 helped. A significant portion of claims for contingent-owned equipment up to December 2001 has been processed. Payments for debt up to December 2001 in those missions where cash levels are adequate are being completed. As for troop payments, once this year's reimbursements are completed, the Organization will be only six months behind for at least five missions, including UNIFIL, UNDOF, UNIKOM, UNAMSIL and UNMEE.

E. Other financial management issues

New initiatives

37. Some recent positive actions taken by the United States in September may strengthen the Organization's financial situation. Three positive signs could make the next six months an important turning point in the Organization's financial history.

38. First, recent United States legislation authorized the third tranche of the arrears payment under the Helms-Biden legislation. A sum of $30 million for peacekeeping arrears was provided in the legislation for the United Nations. This payment, along with previous payments under tranches one and two made in 2002 and 2001, will bring total United States arrears payments to the United Nations to $712 million.

This represents a significant contribution to lowering the Organization's debt to Member States.

39. Next, the United States legislation contains a provision that lifts the cap of 25 per cent on its peacekeeping contributions for the years 2001 to 2004, which will reduce the potential for a build-up of new arrears.

40. Lastly, a process will be initiated by the United States to synchronize its payment of assessments with the United Nations financial year so as to resume its payment of dues to the Organization at the beginning of each year, a very significant change that will obviate the need for the United Nations to cross-borrow to offset the late payment of regular budget assessments.

Budget capacity

41. For the past 10 years the United Nations budget has decreased or remained at a set level, even after absorbing higher costs, including inflation. The 1994-1995 biennial budget was approved at $2,632 million. The budget approved for 2000-2001 totalled $2,535 million, or $100 million less. Regular budget assessments have since 1994 remained at approximately the same level. This was accomplished by reducing the number of posts, becoming more efficient, doing more with less, and, above all, having the help of favourable currency rates.

42. Living within the appropriation level for the biennium 2002-2003 continues to be a challenge; it is a struggle to meet the budgetary reductions of $75 million mandated for 2002-2003 by the General Assembly, comprising $25 million in post costs and $50 million mostly in central support services. As a result, meetings have been curtailed, utility use reduced and information technology upgrades limited.

43. Today, new factors are emerging that could increase the budget level by $300 million, bringing the current level of $2,625 million to $2,930 million. There are nine items that could increase financial requirements well above the level of the preceding year. They include special political missions, requiring an increase of $114.7 million, security improvements for Headquarters of $59.4 million, exchange rate fluctuation requirements of $49 million, recommendations of the International Civil Service Commission amounting to $29.7 million, the capital master plan request of $22.5 million, unforeseen and extraordinary expenses of $12 million, funding to offset low vacancy rates of $8 million, additional requirements for conference and support services for the Counter-Terrorism Committee of $7.5 million and, finally, other financial implications of $1.5 million. Individually these items are significant. Collectively, the aggregate increase of $305 million cannot be absorbed within the present capacity of the regular budget. These new resource requirements need new assessment funding.

44. One item, special political missions, requires special attention. The provision of funding for special political missions is not a "one-year" item. This activity represents the largest individual increase of all of the "add-on" items, at $114.7 million, an amount over and above the level of the 2002-2003 budget, should this amount be approved. The total budget provision for 2002-2003 for special political missions would reach $213 million, close to 10 per cent of the regular budget.

45. These missions, which currently number 28 in total, are mandated by the General Assembly or the Security Council. And while the present composition of

special political missions will change somewhat in the next biennium, it is not anticipated that the overall level will trend downwards.

46. The way in which these missions are funded has been debated many times. In fact, the Secretary-General, in presenting his budget outline for 2004-2005, asked the General Assembly to consider whether special political missions should in fact be included within the regular budget procedures. It may be time to take another look and to ask some hard questions as to the budget.

III. Conclusion

47. Budget capacity, or the adequacy of budgets to fund all the mandates approved by the General Assembly, is critical for the financial management of the Organization, as are the three other components analysed in this report, namely, unpaid assessments, cash on hand and debt owed to Member States. All four of these yardsticks have a common link. They determine the financial health and capacity of the Organization. And as stated in the Secretary-General's latest reform plan, much has already been achieved, but more can be done. This is certainly the case as far as the financial management of the Organization is concerned.

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Follow-up to the outcome of the Millennium Summit

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields

Letter dated 21 October 2002 from the Permanent Representative of Italy to the United Nations addressed to the Secretary-General

Upon instructions from my Government, I have the honour to bring your attention to the text of the Declaration of the World Food Summit: five years later (see annex), endorsed by the Summit, which was held in Rome from 10 to 13 June 2002.

I should be grateful if you would have the present letter together with the above-mentioned declaration, distributed as a document of the fifty-seventh session of the General Assembly, under agenda items 44 and 92.

(*Signed*) Sergio **Vento**
Ambassador

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Annex to the letter dated 21 October 2002 from the Permanent Representative of Italy to the United Nations addressed to the Secretary-General

Declaration of the World Food Summit: *five years later*

International Alliance Against Hunger

We, the Heads of State and Government,* or our representatives, assembled in Rome at the World Food Summit: five years later (WFS:fyl) at the invitation of the Food and Agriculture Organization of the United Nations (FAO);

Recalling the World Food Summit (WFS) held in Rome in November 1996 at which Heads of State and Government, or their representatives, adopted the Rome Declaration on World Food Security and the WFS Plan of Action and pledged their political will and their common and national commitment to achieving food security for all and to an ongoing effort to eradicate hunger in all countries, with an immediate view to reducing the number of undernourished people to half their level no later than 2015;

Recognizing the urgent need to reinforce the efforts of all concerned partners as an international alliance against hunger, for the fulfilment of the objectives of the 1996 Summit;

Reaffirming the right of everyone to have access to safe and nutritious food;

Reiterating that food should not be used as an instrument for political and economic pressure and reaffirming the importance of international cooperation and solidarity as well as the necessity of refraining from unilateral measures not in accordance with the international law and the Charter of the United Nations and that endanger food security;

Reaffirming the commitments that we assumed with the Rome Declaration and Plan of Action, which taking into consideration the multifaceted character of food security, encompass national action and effective international efforts to supplement and reinforce national action;

Acknowledging the considerable efforts which have been made in many countries to reduce poverty and improve food security, and recognizing the commitment of the international community to assisting this effort as expressed in the United Nations Millennium Declaration;

Noting that the average annual rate of reduction in the number of undernourished people in the world was eight million and that if this trend continues, the WFS target of reducing the number of the undernourished by half by 2015, reaffirmed by the Millennium Declaration, will not be attained;

including biotechnology. The introduction of tried and tested new technologies including biotechnology should be accomplished in a safe manner and adapted to local conditions to help improve agricultural productivity in developing countries. We are committed to study, share and facilitate the responsible use of biotechnology in addressing development needs.

26. We recognize that the developing countries and countries in economic transition are facing difficulties in responding to the challenges and opportunities of globalization, in particular with respect to agriculture and food security, and we therefore agree in a spirit of cooperation and solidarity to consolidate FAO activities, in support of these countries to enable them to cope with the challenges and reap the benefits of globalization.

Resources

27. We call on all Member Countries, intergovernmental and non-governmental organizations, the private sector and all other partners in development to consider voluntary contributions to the FAO Trust Fund for Food Security and Food Safety and other voluntary instruments. The Trust Fund should serve as a catalyst for accelerating food production and improving food access in LDC, LIFDC and small island developing states, and for the prevention, control and eradication of transboundary pests and plant and animal diseases, and the preparation of investment projects, and south-south cooperation, in the aforementioned areas.

28. We stress the inherent linkage between rapid progress towards the targets of the World Food Summit Plan of Action, as reaffirmed by the United Nations Millennium Declaration, and the size, direction and efficient use of investment in food security, agriculture, rural development, food production, processing and distribution. As we agreed in the Monterrey Consensus, mobilizing domestic and international resources to reach those objectives, is contingent on several factors, inter alia: (i) an enabling environment for savings and investment in rural areas within the framework of a sound national macro-economic system, (ii) a broad-based national poverty reduction strategy aiming at improving access to food including through increasing food production and distribution, (iii) promoting opportunities for internal and external private investment, (iv) trade, (v) adequate attention in the national budget towards social-economic development, (vi) complementing national efforts with ODA in critical areas of social infrastructure and human development and (vii) transparent and effective management of public resources.

29. We urge developed countries that have not done so to make concrete efforts towards the target of 0.7% of gross national product (GNP) as ODA to developing countries, and 0.15% to 0.20% of GNP of developed countries to least developed countries, as reconfirmed at the Third United Nations Conference on Least Developed Countries, and we encourage developing countries to build on progress achieved in ensuring that ODA is used effectively to help achieve development goals and targets. We acknowledge the efforts of all donors, commend those donors whose ODA contributions exceed, reach or are increasing towards the targets, and underline the importance of undertaking to examine the means and time frames for achieving the targets and goals.

30. We welcome the adoption of the New Partnership for Africa's Development (NEPAD), and the inclusion of agriculture and food security as a component of this initiative. We invite the international community to respond to this initiative by financing programmes or projects, in the most appropriate manner, that reflect NEPAD principles and commitments.

31. We will encourage the international community to continue to provide technical and financial assistance to the countries with economies in transition with a view to fostering their food security;

Noting that hunger is both a cause and an effect of extreme poverty, and prevents the poor from taking advantage of development opportunities, that hunger eradication is a vital step in alleviating poverty and inequality, and that the international community has restated its commitment to the reduction of poverty. Observing further that 70 percent of the world's poor live in rural areas and depend almost entirely on agriculture and rural development for their livelihood; and noting the rapid increase in the numbers and proportion of urban people affected by poverty, hunger and malnutrition;

Conscious of the particular difficulties faced by all developing countries, in particular by the least developed countries (LDC), the low-income food-deficit countries (LIFDC), the small island developing states, and countries affected by violent conflicts, civil strife, land mines and unexploded ordnance, or exposed to desertification and natural disasters; noting further that global warming and climate change can have serious implications for food and livelihood security, especially in these countries;

Recognizing also the difficulties faced by the countries with economies in transition in addressing their food security needs in the process of conducting market-oriented reforms;

Concerned with the current estimates of the overall downward trend in the national budgets of developing countries and the decline in Official Development Assistance (ODA) and International Financial Institutions (IFIs) portofolios directly allocated for agriculture and rural development, as a contribution to food security;

Recognizing the important role of food assistance in situations of humanitarian crisis as well as an instrument for development, acting as an enabling pre-investment;

Reaffirming Commitment 4 of the WFS Plan of Action that trade is a key element in achieving world food security;

Reaffirming the fundamental importance of national production and distribution of food, sustainable agriculture and rural development, fisheries and forestry, in achieving food security;

Reiterating our deep concern at the debt burden on developing countries in particular the heavily indebted poor countries, and at its negative impact on resources for food security, inspite of progress in implementing the Heavily Indebted Poor Countries (HIPC) initiative;

Recognizing that international economic and financial crises have shown dramatically the vulnerability of developing countries;

Noting with concern the acute threat of the HIV/AIDS pandemic, and the incidence of malaria, tuberculosis and other diseases, in particular those caused by water contamination in developing countries, and their devastating impact on food security;

Reaffirming our commitment to the Monterrey Consensus, which referenced the need to develop effective partnerships between developed and developing countries, based on the recognition of national leadership and ownership of development plans that embody poverty reduction strategies, and recognizing the value of exploring innovative sources of finance provided that those sources do not unduly burden developing countries, as important steps towards achieving sustainable food security;

Recognizing the importance of the International Treaty on Plant Genetic Resources for Food and Agriculture in support of food security objectives;

Noting the outcomes of the world conferences, including the International Conference on Financing for Development, the United Nations General Assembly (UNGA) Special

Sessions on HIV/AIDS in 2001 and on Children in 2002 and the 4th Ministerial Conference of the World Trade Organization (WTO) at Doha, and highlighting the forthcoming World Summit on Sustainable Development of 2002.

Political will

1. We renew our global commitments made in the Rome Declaration at the World Food Summit in 1996 in particular to halve the number of hungry in the world no later than 2015, as reaffirmed in the United Nations Millennium of the Declaration. We resolve to accelerate the implementation of the WFS Plan of Action.

2. We call on all parties (governments, international organizations, civil society organizations and the private sector) to reinforce their efforts so as to act as an international alliance against hunger to achieve the WFS targets no later than 2015. With this aim, parties should promote coordinated action. Bearing in mind the contribution of all parties, countries should continue to report on progress to the Committee on World Food Security (CFS), within its mandate as a focal point for the implementation of the WFS Plan of Action.

3. We recognize that progress had not been adequate to reach the WFS target. Recognizing that responsibility for assuring national food security rests with national governments in cooperation with civil society and the private sector and with the support of the international community, we resolve to accelerate implementation of action to halve hunger by no later than 2015. This requires a rate of hunger reduction of more than 22 million per year on average.

4. We stress that poverty reduction and food security strategies should, inter alia, include measures to increase agricultural productivity, food production and distribution. We agree to promote equal access for men and women to food, water, land, credit and technology which will also help in generating income and creating employment opportunities for the poor, thus contributing to reduction of poverty and hunger.

5. We reaffirm the importance of strengthening the respect of all human rights and fundamental freedoms including the right to development, democracy, the rule of law, good governance, sound economic policies, the equality of rights for all without distinction as to sex, race, language, religion, the resolution of conflicts in accordance with the UN Charter and respect for international humanitarian law, and international cooperation so as to solve economic, social, cultural and humanitarian problems, which are essential for achieving food security.

6. We call upon the concerned development partners to exert all necessary efforts to achieve the international development goals of the Millennium Declaration, particularly, those related to halving poverty and hunger by 2015, to improve and strengthen the indicators necessary for measuring progress and to monitor progress within their mandate; and to renew and strengthen the commitment to national and international systems in place to assess food security. We reaffirm the role of FAO, with World Health Organization (WHO) and UNICEF in monitoring progress towards the Millennium Development Goal on hunger and the importance of the Inter-Agency Working Group on FIVIMS (Food Insecurity and Vulnerability Information and Mapping Systems) in strengthening national and international monitoring of food security.

7. The vast majority of the hungry and those living in absolute poverty are in rural areas. We recognize that reaching the goal of halving the number of hungry requires that the most food insecure and impoverished countries promote the alleviation of rural poverty especially through sustained growth of agricultural production, particularly in sub-Saharan Africa.

8. We reconfirm that FAO has a major role to play in assisting countries to implement the provisions of the WFS Plan of Action within its mandate, keeping in mind that the

WFS entrusted the Committee on World Food Security to monitor progress.

9. We believe that broad international partnerships are of utmost importance for the implementation of the WFS Plan of Action. We call on governments, the international organizations and financial institutions to utilize their resources effectively, to improve their performance and strengthen co-operation and to undertake joint efforts to combat hunger, and reinforce the key role of sustainable agriculture and rural development in food security.

10. We invite the FAO Council to establish at its One Hundred and Twenty-third session an Intergovernmental Working Group, with the participation of stakeholders, in the context of the WFS follow-up, to elaborate, in a period of two years, a set of voluntary guidelines to support Member States' efforts to achieve the progressive realisation of the right to adequate food in the context of national food security; we ask the FAO, in close collaboration with relevant treaty bodies, agencies and programmes of the UN system, to assist the Intergovernmental Working Group, which shall report on its work to the Committee on World Food Security.

11. We specifically urge governments to review their ongoing national food security policies with a view to filling gaps, identifying new initiatives, removing implementation obstacles and streamlining inter-ministerial and inter-departmental policy initiatives.

12. We reaffirm the Monterrey Consensus and we urge all members of the WTO to implement the outcome of the Doha Conference, especially the commitments regarding the reform of the international agricultural trading system, with particular reference to paragraphs 13 and 14, given that international agricultural trade has a role to play, consistent with Commitment 4 of the WFS Plan of Action, in promoting economic development, alleviating poverty and achieving the objectives of the World Food Summit, in particular in developing countries.

Challenges

13. We reaffirm the need to assure gender equality and to support empowerment of women. We recognize and value the continuing and vital role of women in agriculture, nutrition and food security and the need to integrate a gender perspective in all aspects of food security; and we recognize the need to adopt measures to ensure that the work of rural women is recognized and valued in order to enhance their economic security, and their access to and control over resources and credit schemes, services and benefits.

14. We emphasize the need for nutritionally adequate and safe food and highlight the need for attention to nutritional issues as an integral part of addressing food security. The recent UNGA Special Session on Children addressed the need for investments in basic economic and social infrastructure and social services as well as social protection for vulnerable and disadvantaged groups. Attention should be given to improving the quality of diet; access to potable water, health care, and education; and sanitation. We recognize the importance of interventions to tackle micro-nutrient deficiencies which are cost effective and locally acceptable.

15. We reaffirm our pledge to the fight against world-wide conditions that pose severe health threats, and especially the spread of HIV/AIDS, which can have a uniquely devastating impact on all sectors and levels of society and consequently on food security. This requires new approaches, technologies and crops for labour deficient HIV/AIDS-affected farming households. In this regard, we welcome the establishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria, which constitutes an important step forward for concerted action at country level as well as for the mobilization of new and additional resources aimed at the prevention and treatment of these diseases.

16. We reaffirm the important role of Codex Alimentarius, the International Plant Protection Convention (IPPC) and the Office International des Epizooties (OIE) to provide effective, science-based, internationally-accepted standards of food safety, plant and animal health, as well as to facilitate international food and agricultural trade in their role as the WTO Agreement on Sanitary and Phytosanitary Measures (SPS)-recognized standard-setting bodies.

17. We pledge to continue to support efforts to strengthen developing countries' capacity with respect to the management of food safety and plant and animal health.

18. We should strengthen national and international action to prepare for contingencies and emergencies and to improve the effectiveness of emergency actions both through food and non-food based intervention. These actions must be integrated into sustainable development efforts with all stakeholders involved to achieve sustainable food security. We underscore the importance of developing the scope and coverage of social protection mechanisms, in particular of safety nets for vulnerable and food insecure households. We are committed to ensuring, through economic development, the use of early warning systems, and emergency assistance, that famine will never again be seen.

19. We recognize the merit of school feeding as a social development programme. It should be based on local or regional purchase where possible, and managed in a way to respect local consumption habits. In this regard, we encourage the development of the World Food Programme's (WFP's) school feeding programmes, among others, when implemented in accordance with national priorities and educational programmes.

20. We resolve to contribute to the outcome of the World Summit on Sustainable Development, recognizing the important role of the three Rome-based organizations, FAO, WFP and the International Fund for Agricultural Development (IFAD), and to strengthen co-ordination and cooperation among national and international organisations, in order to make efficient use of resources, particularly in the areas of technical and financial cooperation, sustainable management of natural resources, fighting transboundary animal and plant diseases and securing food safety.

21. We stress the need to further promote sustainable forest and fisheries management, including sustainable use and conservation of aquatic living resources, in view of the contribution of those sectors to food security and poverty eradication.

22. We stress the importance of supporting alternative development activities that enable people engaged in illicit crop cultivation to reach sustainable food security and live in dignity.

23. Recognising the extent of poverty in the mountain zones, we emphasize the vital role of mountain zones and their potential for sustainable agriculture and rural development in order to achieve food security. We stress the need to build partnerships between developing and developed countries in this regard.

24. We pledge to work in the spirit of cooperation and solidarity to strengthen FAO activities, within its mandate, that enable the developing countries and countries with economies in transition to meet food safety issues, to make better use of the benefits of research and technologies and to respond effectively to the challenges and opportunities of globalization, in particular with respect to agriculture and food security. We also pledge to assist those countries, particularly their food producers, to make informed choices about, and to have access to, the necessary scientific and technical knowledge related to these new technologies targeted at poverty and hunger reduction.

25. We call on the FAO, in conjunction with the CGIAR and other international research institutes, to advance agricultural research and research into new technologies,

32. With a view to reversing the overall decline of agriculture and rural development in the national budgets of developing countries, in ODA and in total lending in international financial institutions, we call for an adequate share for those sectors of bilateral and multilateral ODA, lending by IFIs and budgetary allocations of developing countries, within the framework of the Monterrey Consensus.

33. We reaffirm that the enhanced Heavily Indebted Poor Countries (HIPC) Initiative provides an opportunity to strengthen the economic prospects and poverty reduction efforts of its beneficiary countries, thereby increasing food security. Speedy, effective and full implementation of the enhanced Initiative, which should be fully financed through additional resources, is critical. Heavily indebted poor countries should take the policy measures necessary to become eligible for the initiative.

34. We also reaffirm the Monterrey consensus to encourage exploring innovative mechanisms to address debt problems of developing countries, including middle-income countries and countries with economies in transition.

35. We call on all countries that have not yet done so, to consider signing and ratifying the International Treaty on Plant Genetic Resources for Food and Agriculture in order that it shall enter into force as soon as possible.

Notes

[a] When "Government" is used, it means as well the European Community within its areas of competence.

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Letter dated 25 October 2002 from the Chargé d'affaires a.i. of the Permanent Mission of Qatar to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith to you the text of a statement by an official source at the Ministry of Foreign Affairs of the State of Qatar dated 25 October 2002, in which it expressed its rejection and condemnation of the holding of innocent civilians in a Moscow theatre (see annex).

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda item 160, and of the Security Council.

(*Signed*) Jamal Nassir **Al-Bader**
Chargé d'affaires, a.i.

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Annex to the letter dated 25 October 2002 from the Chargé d'affaires a.i. of the Permanent Mission of Qatar to the United Nations addressed to the Secretary-General

[Original: Arabic]

Qatar repudiates and condemns the seizure of innocent civilians in Moscow

Qatar has repudiated and condemned the seizure of innocent civilians at a theatre in Moscow.

The official spokesman for the Ministry of Foreign Affairs has stated the position of the State of Qatar repudiating and condemning the terrorization and confinement of innocent civilians as an act incompatible with all religious precepts and human values.

The spokesman said that the State of Qatar was hopeful that this distressing incident would be brought to a safe conclusion and that the hostages would be released as quickly as possible and without bloodshed.

25 October 2002